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September 19, 2005

Mr. Tom Turner
Office of Regional Counsel
Region 5
U.S. Environmental Protection Agency
Mail Code C-14J
77 West Jackson Boulevard
Chicago, IL 60604

EPA Region 5 Records Ctr.



285217

Re: Ability to Pay Settlement

Dear Mr. Turner:

I have received from Superior Equipment Company, Inc. (Superior), the tax returns for the fiscal years ending June 30, 2000; June 30, 2001; June 30, 2002; June 30, 2003; and June 30, 2004. I have received also the draft returns for the year ending June 30, 2005. We are now prepared to transmit these returns to you as a first step in determining whether it is appropriate for Superior and EPA to enter into an ability to pay settlement regarding Superior's potential liability at the Clayton Chemical/RRG site in Sauget, Illinois.

Although EPA has not yet demanded a particular sum from Superior, we have estimated the sum Superior may be required to pay if it were to join a group of PRPs that would respond to the soil contamination at the site. After meeting with Superior's accountants over the past several weeks, we believe that the payment of this sum would create an undue financial hardship upon Superior and likely jeopardize Superior's viability as a going concern.

I look forward to transmitting the financial information to you upon your request.

Sincerely,

Bruce A. Morrison